

**INDIAN SCHOOL MUSCAT
SAMPLE PAPER (UNSOLVED)
ENTREPRENEURSHIP**

General Instructions:

All questions are compulsory.

Marks for each question are indicated against it.

Questions **1** to **5** are very short Answer type carrying **1** mark each.

Questions **6** to **10** are Short Answer-I Type questions carrying **2** marks each

Questions **11** to **17** are Long Answer-I Type questions carrying **3** marks each

Questions **18** to **21** are Long Answer-II Type questions carrying **4** marks each.

Questions **22** to **24** are Essay Answer Type questions carrying **6** marks each.

Answer should be brief and to the point.

Please write down the serial number of the question before attempting it.

- 1 Mr. Hemant is involved in production and sale of 'Masala Mix Powder' within his own state. Now he wants to expand his business by introducing his product in the neighboring states also. Name the necessary tax registration required for this interstate transfer of goods. 1
- 2 What do you mean by order lead time? 1
- 3 'Bikaner Wallah' is selling fast food to the customers. Write the name of channel of distribution used by the company. 1
- 4 What is a Proforma income statement? 1
- 5 Lalita wants to buy a house. The seller wants Rs.20 lakhs, but Lalita is willing to pay only Rs.17 lakhs. Which format of negotiation method would be appropriate for Lalita? 1
- 6 A factory is engaged in manufacturing coolers. The following information is available to you: 2
- | | |
|--------------------------------------|-------------|
| Sales | Rs.2,50,000 |
| Direct Labour Cost (for 100 units) | Rs.25,000 |
| Direct material cost (for 100 units) | Rs.62,500 |
| Direct Expenses (for 100 Units) | Rs.12,500 |
| Fixed Cost | Rs.75,000 |
- Calculate (i) Variable cost per unit (ii) Quantity to be sold at Break Even Point.
- 7 Aldi Products Ltd. has encouraged the consumers through its Aldi's Face Book and Twitter pages. These social media pages provided a plat form through which Aldi can interact with consumers. It 2

accesses their opinion about their bands and created Aldi advocates who recommended Aldi to others. Explain the method of promotion strategy Ali product Company has used in this case.

- 8 Give the meaning of 'Routing' and 'scheduling' as elements of operational plan. 2
 - 9 With its help the consumers are able to identify the products of a firm and are also able to differentiate them from those of the competitors. Identify the concept and state its components. 2
 - 10 'Apart from investing funds, they also provide proactive advice'. Who are 'they' in the above sentence? In which business do 'they' invest funds? 2
 - 11 Pankaj an entrepreneur started a new website SAVO ELECTRICITY to sell LED bulbs. In the first year he sold 2400 bulbs at the rate of Rs.100 each. His cost of placing an order and receiving the bulbs is Rs.500 per order. If the Economic Order Quantity is 200 bulbs, find out the inventory holding cost per year. 3
 - 12 What do you mean by Capital Market? Why is capital market important for entrepreneurs? 3
 - 13 What is manpower planning? Why is it necessary for every business unit? 3
 - 14 What are the rules for goal setting? 3
 - 15 Naveen after completing his M.Tech. in Nano technology wanted to start his own business. He thought to manufacture sophisticated instruments used in surgery. He knew that his knowledge of Nano technology will help the surgeons to operate upon the patients with accuracy, with minimum blood loss and quick post operation recovery. Such types of instruments are used in advanced countries only and there was a risk in marketing the same. The cost price of machinery required, for manufacturing such instruments was very high and more research was required in this field of Nano technology. For seed funding, Naveen approached, 'Himani Capital Ltd.' Who finance such types of projects. 'Himani Capitals Ltd' after analysing the proposal agreed to provide seed capital to Naveen. Explain the different stages of 'Early stage financing' to seek venture capital finance after the one discussed above. 3
 - 16 'Pure Neer India Ltd' is the manufacturers of water purifiers. The company has developed a new water purifier that not only converts the hard water into soft water but also kills the bacteria and other harmful microorganisms present in it. The company has named this water purifier as 'NirmalNeer' and for its marketing, appointed salesmen throughout the country. The company also trained the salesmen to provide information about the usefulness of the 'NirmalNeer' water purifiers to the customers and motivate them to buy the same.

(A) Name and explain the type of promotion strategy adopted by the company (B) Also identify the channel of distribution used by the company. 3
 - 17 State the advantages of 'Good Negotiations'. 3
 - 18 Calculate Return on Investment and Return on Equity on the basis of given information. 4
- You have newly started a restaurant business. You spend Rs.10,00,000 to open the restaurant. You

have invested Rs.4,00,000 of your own money and borrowed a loan for Rs.6,00,000. Interest rate per annum is 10%. Monthly sales revenue is Rs.6,00,000 and cost of goods sold is Rs.3,00,000. Fixed expenses per month Rs.2,00,000 (salary 1,50,000, rent and utility Rs.50,000), depreciation Rs.10,000 and tax @ 20%.

- 19 Nitin, an entrepreneur, is living in a beautiful village of Kerala. This village was famous for its natural beauty but very few people know about it. Due to this entrepreneurial inclination he always tried to find out opportunities. People of the village are very poor as they are mostly dependent on fishing. Nitin thought of starting a 'Holiday Resort' with cultural Centre, restaurant and other facilities in the village. All the villagers agreed and supported Nitin for this project. They agree to co-operate to make this project a success. Nitin needed capital for this project. 4
- (i) Name the specialized financial institution which Nitin should approach to meet his requirements.
- (ii) When this institution was incorporated as a public limited company and became operational?
- (iii) What is the main function of this institution?
- (iv) State any one value which Nitin wants to communicate to the society.
- 20 Explain the ways in which an organization can expand. 4
- 21 Lalit introduced a new mobile phone in the market with some innovative features which were liked by the customers. He fixed a very high price for this. Name and explain the method of pricing Lalit had followed. 4
- 22 Unicon Ltd. and Nahata Communications provide cable TV network in adjacent areas of Delhi. After sometime the market was slowly taken over by big cable companies. Both Unicon Ltd and Nahata communications understood the competition and decided to come together so as to increase their market shares. This strategy helped them in cost saving through economies of scale as they could cover more areas now. It led to the overall growth of both the companies. 6
- (a) Identify the enterprise growth strategy adopted by the two,
- (b) State the benefits that the companies have after this arrangement.
- 23 Mahesh a young man of 20 years. He has completed a tailoring course from an industrial training institute. He wants to start big size tailoring shop in a modern locality where young men and women working in various multinational companies live. He went to one of his friends who had completed a diploma course in textile designing to discuss about the opening of the tailoring shop. His friend advised him to prepare a written document describing formally all the relevant external and internal elements involved in starting a new venture. It will not only help in understanding the feasibility and viability of the proposed venture but also facilitate in assessing and making provisions for the bottlenecks in the progress and implementation of the idea. 6
- Identify the concept and state any five points of importance of the concept discussed by Mahesh with his friend.

- 24 Stock exchange performs a number of functions in respect of marketability of different types of securities for investors and borrowing companies. Explain the important functions of stock exchange. 6

End of the Question Paper